

Godsinlösen Nordic AB Shades of Green assessment¹

May 3, 2024



Sector: Repair and re-use services



Region: Nordics

This report was produced by Shades of Green using Shades of Green Methodology.

On December 1, 2022, S&P Global acquired Shades of Green from CICERO.

Executive Summary

Godsinlösen Nordic AB (“GIAB”) provides repair and refurbishment services. Building on its software Circular Platform™, the company repairs, refurbishes and manages a wide range of products for mainly insurance companies and e-commerce players, re-selling the products through own or third-party channels. Its primary market is Sweden, but it also has operations in the other Nordic countries.

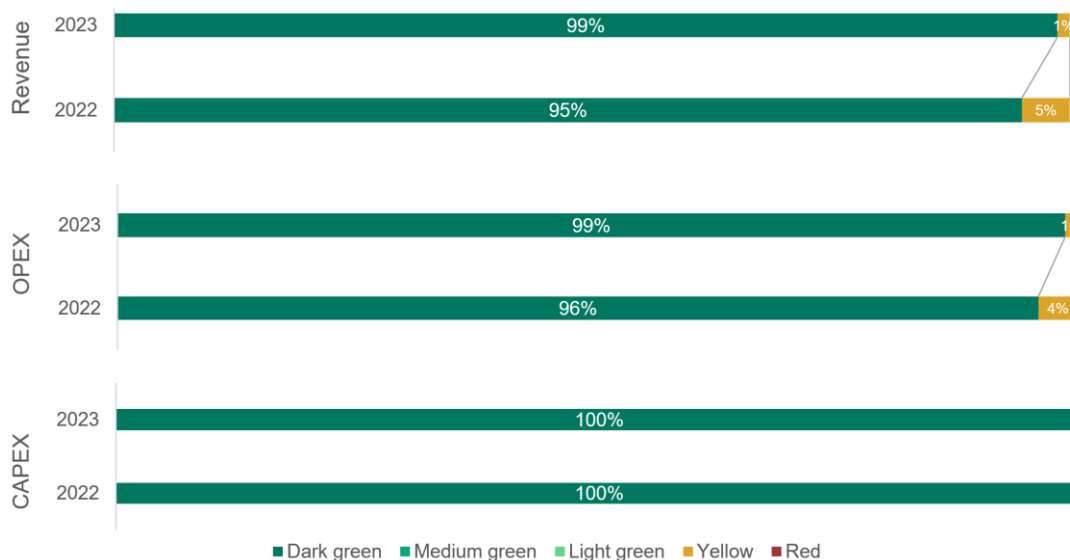


Figure 1: Shading of revenue and investments for GIAB from 2022 to 2023

We note that there are only minor changes in the share of green revenues and investments. The total share of green was 99% of revenues and opex, compared to 95% and 96% in 2022, respectively. The share of green capex remained at 100%. The shading in this update is based on the same methodology Shades of Green used in 2021 to allow for a comparison of GIAB’s portfolio performance over time. Reducing resource use is key in a low carbon future. The extraction and processing of new resources are estimated to account for some 50% of global greenhouse gases, in addition to other environmental impacts. GIAB’s repair, refurbishment and re-use services contribute to prolonging product lifetime, preventing waste and potentially contributing to avoiding new production. For most products handled by GIAB, the major GHG emissions occur during production.

Dark Green is assigned to repair and refurbish activities in the Insurance and Re:Commerce business areas. Dark Green is allocated to nearly all Re:Commerce

Nasdaq Green Designation¹

Based on this review, Shades of Green assesses that GIAB meets the requirements for Nasdaq Green Equity Designation set out in the Nasdaq Green Equity Principles.



¹ Shades of Green is an approved reviewer to assess alignment with the Nasdaq Green Equity Principles, [Nasdaq.com/Solutions/Nasdaq-Nordic-Green-Designations](https://www.nasdaq.com/Solutions/Nasdaq-Nordic-Green-Designations)

revenues, reflecting that this support refurbishment and repair of products that would otherwise likely end up as waste. We also consider the Insurance line of business as Dark Green, as it features an innovative claims settlement process, where GIAB works with insurance companies to change business practices. Instead of a cash payment in case of a damaged phone for instance, the insurer’s clients are given a repaired phone. The solution provided by GIAB contributes to prolong these products’ lifetime.

A Yellow shade is given to 1.3% of revenues, reflecting the share of products within Re:Commerce that are simple returns. These are new products that GIAB resells, where the environmental benefits are uncertain. Some research indicates that e-commerce companies tend to transport such items over long distances for repackaging/reprocessing, while GIAB only transports items within the Nordics. The share of revenues coming from simple returns has fallen from previous years, reflecting a strategic re-focusing of GIAB’s partnerships.

In 2023, the company has made significant improvements in its methodology for calculating avoided emissions, as well as in its sustainability reporting. GIAB has aligned its calculations with relevant ISO-standards for Lifecycle Assessments and developed a more robust methodology to account for avoided emissions. The sustainability reporting contains more information on sustainability indicators than previously. Overall, we rate the governance structure of GIAB to be **Good**.

The electronics sector is often linked to high social risks, in particular regarding workers’ rights. The current providers of reconditioning services to GIAB operate in European countries which generally do not represent an increased social risk. The company has a public code of conduct for suppliers, and has continued to map relevant social risks. For instance, through its Double Materiality assessment, GIAB has identified two new risk areas within social, namely own workforce and workers in the value chain. It should be stressed that GIAB generally has an active social agenda through ambitious targets and its sustainability policy.

Concerning the EU taxonomy, GIAB appears to mainly fulfil the minimum safeguards, and we consider the vast majority of its activities to meet the criteria for substantial contribution to circular economy. We have assessed alignment with the criteria for taxonomy activity 5.1 (repair, refurbishment and remanufacturing), and 5.3 (preparation for re-use of end-of-life products and product components).

Table 1: Sector Specific Metrics for GIAB

	Share of reused goods ¹	Scope 1-3 GHG emissions	Avoided emissions(tCO2e)
2023	92%	1,094.9	2,568
2022	92%	1,030.5	4,447
2021	83%	1,900.7	2,565

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GIAB sustainability governance

Company description

Godsinlösen Nordic AB is a Swedish company whose core activity is to develop, implement and scale up business models based on extending products' lifetime. The company's proprietary software Circular Platform™ forms the basis for its operations, as this platform is necessary to enable repair of products on a large scale through data collection and traceability. GIAB collects goods, makes their inventories, repairs or reconditions them and resells either through its own or third-party channels. Annual turnover in 2023 was SEK 141,2m, and the company has on average 59 employees.

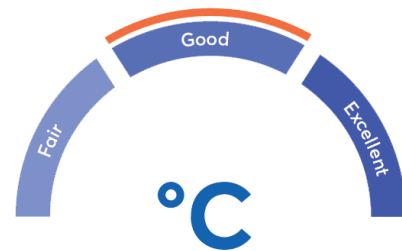
GIAB's own channels are both online and a physical outlet. Operations may be divided in three business areas:

- **Insurance.** This is a circular claims settlement process for insurance companies, who are GIAB's clients. GIAB receives the insured product, verifies its condition and repairs it. This process covers many product types, but the largest one is mobile phones, followed by bicycles. Other large product groups are tablets and smartwatches. For smartphones, the insurer's private client receives a repaired phone of a model identical to the damaged one. In exceptional cases, a new mobile phone is provided due to e.g. that the model does not exist anymore.
- **Re:Commerce.** GIAB provides a "one-stop-shop" for online retailers, where GIAB handles all aftermarket, namely all returns, reclamations, logistic damages, warranty issues, customer service and sales of the reused items. GIAB inspects, sorts, and if needed repairs and reconditions products to place them on the market again. Items are re-sold through a network of marketplaces and partners, GIAB's own digital channels and a physical outlet. Within this business area, a minor share (some 1.3% of total revenues) are simple returns of new products, where GIAB places these new products on the market.
- **Consulting.** Advisory to other companies on developing circular and sustainable business models, for example to IKEA.

Governance Assessment

The overall assessment of GIAB's environmental governance structure gives it a rating of Good. Sustainability is integrated in GIAB's business strategy, which focuses on extending products' lifetime. The main change in its environmental governance in 2023 is the development of a new model for environmental calculations which is currently in the late implementation phase. The strengthening of the calculations is based on aligning the calculations with ISO-standards for life cycle assessments.

In 2022, GIAB launched a new sustainability policy and implementation guide. It covers economic, environmental and social sustainability and has five targets for each area, accompanied by in total 43 quantitative indicators. Responsibilities for the different area are distributed in different parts of the organisation. In 2023, it achieved 55% of the targets related to environmental sustainability, where the five focus areas are: 1) renewable energy sources; 2) climate neutral transportation, 3) internal climate coordination 4) circular and resource efficient packaging handling 5) reused furniture and IT equipment as a norm. GIAB tracks progress and reports on the indicators on a yearly basis.



In the preparatory work for the EU Corporate Sustainability Reporting Directive (CSRD), GIAB has increased its awareness of climate risk, both physical and transition risks. The latest development in its work on these is conducting a double materiality assessment in 2023, which identified climate change adaptation as its most material risk. However, GIAB has not yet formulated a physical plan or implemented actions to mitigate these material risks as the company is dependent on further information of future facilities and supply chain. With regards to the European Sustainability Reporting Standards (ESRS), which GIAB will have to adhere to in future reporting, GIAB has ensured that data is collected as needed for its material topics, but also that it can provide data to collaborating companies who wish to report on emission savings from circular efforts in the context of ESRS.

Concerning supplier engagement, GIAB's focus last year was on incorporating data and privacy protection into its Code of Conduct. Hence the company has not engaged specifically with suppliers on the implementation of other aspects of its Code of Conduct, such as social and environmental issues.

Assessment of GIAB's activities

Key performance indicators

Table 2: The table summarises the energy mix for the year 2020, 2021, 2022, and 2023				
KPI Category	2020	2021	2022	2023
Renewable	31%	67%	60%	32%
Nuclear power	26%	0%	1%	0%
Fossil inputs	43%	33%	39%	68%

The share of renewable decreased to 32% in 2023 compared to 60% in 2022, primarily due to the landlord of GIAB's facilities stopping purchasing Guarantees of Origin for renewable sources of electricity. GIAB has informed us that for this calculation, it uses the energy mix of the residual mix, which is the electricity for which no guarantees of origin (for renewable sources) are purchased. As there is no certainty on whether this electricity comes from non-fossil sources, the company has chosen a conservative approach, assuming that such electricity could come from fossil energy sources. As previously, fuel oil is still used for heating the facilities in Staffanstorp. GIAB indicated that it is in contact with the property owner in Staffanstorp to phase out the fuel oils, however, has made no progress so far.

Table 3: The table summarises GIAB CO ₂ -emissions and main CO ₂ -emission reduction targets				
Emissions	Total (tons CO ₂ e ²)	Scope 1	Scope 2	Scope 3
Main Targets	SBTI commitment to reduce emissions within scope 1 and 2 by 42% by 2030, with 2021 as the base year. And by 2050 become completely climate neutral within scope 1, 2 and 3 with 2021 as the base year.			
2023	1,094.9	79.8	90	925.1
2022	1030.5	83.5	16	931
2021	1,900.7	81.2	7.6	1,811.9
Change 2022-2023	+6%	-4%	+463%	-1%
Main sources		Internal Transportation	Heating and Energy Consumption	External Transport, Business Travel and Purchased Goods

In 2023, total emissions were 1094 tons CO₂e, some 6% up from 2022 but significantly down from 2021. GIAB has re-calculated its GHG emissions, and strengthened consistency of emissions factors. GIAB has identified the main sources of scope 3 emissions as external transport, business travel and purchased goods. The increase in scope 2 emissions is due to the landlord's choice to switch from renewable energy to fossil energy sources.

² CO₂e, carbon dioxide equivalent is a measurement term for greenhouse gas accounting.

Table 4: Emissions avoided per year	
Emissions (t CO ₂ e)	Emissions avoided/reduced (t CO ₂ e)
2020	2893
2021	2565
2022	4447
2023*	2568

**Note that a material methodological change was done in 2023, so that the figure for 2023 is not comparable to the figures from previous years.*

Avoided emissions are the result of extending, refurbishing, and facilitating the re-use of incoming products, which reduces the emissions associated with producing new products. The change in avoided emissions in 2023 can be attributed to the implementation of a new calculation model for sustainability data (Planetary Model™). The company collaborated with LCA consultants to create a model that aligns with ISO standards for life cycle assessments, enabling them to calculate avoided emissions for all product types. The model has a more nuanced approach to considering the extent to which a refurbished/repaired product replaces a new one, and we consider the data quality to have improved significantly as a result of this new model.

Table 5: Waste avoided and share of re-use			
	Tonnes of waste potentially reused/avoided from extending, refurbish and re-use incoming products	Target	Share of re-used products
2020	3401	Increase the reuse rate at GIAB to 80%/year.	85%
2021	3325	Reuse rate should be at least 80%	83%
2022	2734	Reuse rate should be at least 80%	92%
2023	N.A*	Reuse rate should be at least 80%	92%

**Figure not available for 2023 due to ongoing implementation of new calculation model.*

In 2023, GIAB successfully achieved a reuse rate of 92%, surpassing its target of maintaining a minimum reuse rate of 80%. However, the reporting of tons of waste potentially reused/avoided was not available for 2023 due to ongoing implementation and construction of a new tool (Planetary Model™). This information will be updated in the future.

Shading of GIAB revenue, operating expenses and investments

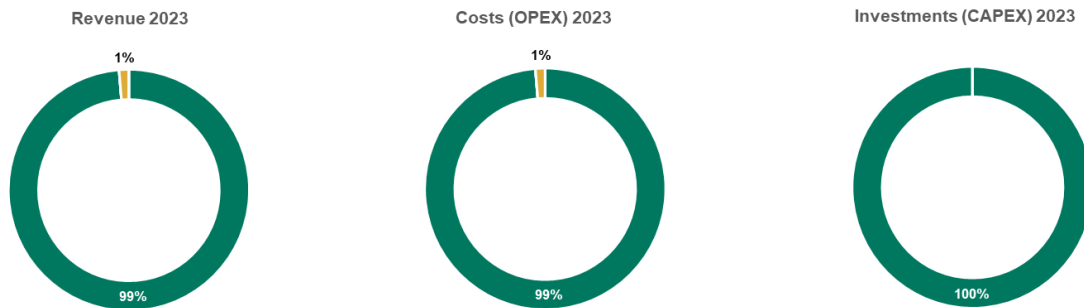


Figure 2: Shading of revenue and investments for GIAB

Reducing resource use and prolonging the lifetime of products is needed in a low carbon future. To assess how GIAB's revenues, operating costs, and investments contribute to that future, we have considered the related activities' rank in the waste hierarchy and the emissions from the products' lifecycle. In the waste hierarchy, the most favoured option is waste prevention, followed by re-use, recycling and energy recovery, with the worst option being disposal (landfill). In general, research indicates that transport emissions are small compared to those stemming from the production phase of the products handled by GIAB, but they still need to be managed. While prolonging products' lifetime in itself is in line with a low carbon future, there is uncertainty as to whether it contributes to overall lower production, but that is outside of the scope of GIAB's activities. We have also considered GIAB's Governance Score of Good and the company's sustainability management.

Both revenues and capex are predominantly shaded Dark Green, with 99% of revenues shaded Dark Green, while they also include a minor share of Yellow activities. The Yellow shade is allocated to activities where we consider that GIAB's activities do not contribute to reducing emissions, but rather prolongs existing business practices. GIAB does not have any activities with the Red shade, which is allocated to heavily emitting projects with high lock-in risks.

Dark Green is allocated to projects and solutions that correspond to the long-term vision of a low carbon and climate resilient future. In GIAB's context, those are re-pair and re-use services, entailing potentially significant emission savings compared to the production of new goods. While all these activities are needed in the 2050 perspective, there is uncertainty about the size of the emissions and waste avoided. The Dark Green shading has been allocated to the following activities:

- ✓ The Insurance business area. The circular claims settlement process replaces a business practice where clients received cash payment when their phone was damaged, allowing them to either purchase a new phone or seek a repair alternative that might not be easily available. The most frequent repairs are damaged screens and malfunctioning batteries, while water damage is also a typical defect. Most of such easy repairs are performed by GIAB in Sweden (75% of cases). For more complex issues and in order to handle substantial volumes, some mobile phones are sent to other European countries (Ireland, Denmark and Slovenia) for repair and reconditioning in a factory. Insurance also covers other consumer products, mainly bicycles and other electronics. Research indicates that for computer, IT and telecom products, transport emissions are small compared to the emissions associated with the production of a new item. For smartphones, the share of emissions from production is estimated to be in the range of 80% of life cycle emissions. In addition, repair services are generally expensive and not always easily

available, making GIAB's efforts to scale these up important in a climate and environmental perspective.

- ✓ The Re:Commerce business area. GIAB goes a long way to repair and refurbish items in order to place them on the market. Products sold via its own channels have a "condition grade" indicating what warranties apply, any defects and how the product compared to a new one. GIAB also sells products with minor cosmetic defects that do not affect functionality, being transparent about that to its customers and avoiding waste. The Re:Commerce business are also consist of prolonging the lifetime of furniture and IT equipment. For furniture, no emissions are associated with their use, meaning emissions from manufacture dominate their carbon footprint. For IT equipment, production emissions and use phase emissions are estimated to both represent 40% of life cycle emissions.
- ✓ Consulting. The fact that GIAB uses its expertise to help other companies develop more circular business models is positive. While it is not possible to determine if these activities are fully in line with a low carbon future, these activities represent a minor share of revenues (0.9% in 2023), and are thus allocated the same Shade as the majority of revenues.

Yellow is allocated to activities that do not contribute to the transition to a low carbon future or with too little information to assess. The following activity has been allocated a Yellow shading:

- ✓ The handling of simple returns of new products for e-commerce companies, which GIAB re-sells. This activity has unclear environmental benefits. Some research suggests that such items might typically be shipped over longer distances, implying that GIAB's handling in the Nordics would reduce emissions associated with transport. However, there is currently not enough evidence to assign a green shading to GIAB's handling of these returned new products and there is no scientific consensus that online shopping in itself has a low environmental impact. In 2023, simple returns represented a minimal 1.3% of revenues, primarily attributed to focusing on strategic partnerships and on the most profitable lines of business. Additionally, certain companies have initiated their own circular initiatives and assumed responsibility for managing their simple returns.

In order to assign a Shade of Green to operating expenses, which include salaries and office rent, as well as the cost of transportation and purchase of materials, we relied on GIAB's allocation of these to their different business areas (for 2023). According to GIAB, some 74% of purchased goods relate to the Insurance area, and 26% to Re:Commerce. For personnel costs, some 65% are related to Re:Commerce, while 35% are Insurance. For remaining general operational costs, such as rent, insurance and marketing costs, it was not feasible for the company to distribute costs between specific activities. For those, we thus assigned the average shade assigned to revenues, Dark Green. Overall, GIAB's capital expenditures are small and they include development costs for its e-commerce platform and return handling system, as well as workstations, storage, tools and machinery for repairs. None of the purchased equipment uses fossil fuels. In 2023, capital expenditures also included development costs for the Planetary Model™, which serves all areas of business, and where a key feature is accurate and comprehensive data collection on all products. All of these investments support GIAB's strategy to prolong products' lifetime and are necessary to provide for refurbishment, repair and re-use services at a large scale.

With these provisions, we find that 99% of revenues, 99% operating expenses come from Dark Green activities, and 100% of capex come from Dark Green activities. 1% of revenues and 1% of operating expenses comes from Yellow activities.

We note that there are only minor changes in the share of revenues, opex and capex assigned a Shade of Green. In 2023, the total share of green was 99% of revenues, 99% of opex and 100% of capex compared to 95%, 96%,

and 100%, respectively, in 2022. The shading in this update is based on the same methodology Shades of Green used in 2021 to allow for a comparison of GIAB’s portfolio performance over time.

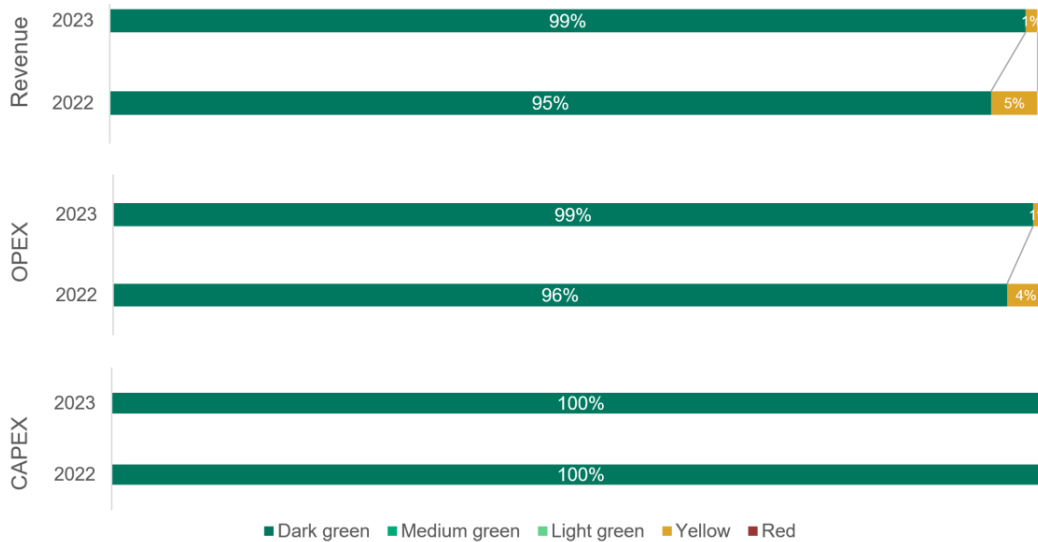


Figure 3: Shading of revenue and investments for GIAB from 2022 to 2023

Investors should note that our assessment is based on data reported or estimated by the company and has not always been verified by a third party. We analyse revenue, operating costs and investments, however there is typically not an explicit link between sustainability and financial data³. Our shading often requires allocating line items in financial statements to projects or products, for this we rely on the company’s internal allocation methods. In addition, there are numerous ways to estimate, measure, verify and report e.g. data on emissions, which may make direct comparisons between companies or regulatory criteria difficult and somewhat uncertain.

Nasdaq Green Designation

Shades of Green confirms that GIAB meets the requirements for Nasdaq Green Equity Designation set out in the Nasdaq Green Equity Principles.

In 2023, 99% of GIAB’s turnover came from assets with some Shade of Green, exceeding the 50% threshold for green activities for company turnover. The sum of OPEX and CAPEX allocated a Shade of Green is 99% and 100% respectively. This exceeds the 50% threshold for investments, defined as the sum of CAPEX and OPEX. In 2022, GIAB had no turnover assessed shaded Red, meeting the threshold of less than 5% of the company’s turnover being derived from fossil fuel activities.

In addition, this report provides transparency on the company’s environmental targets and KPIs and on alignment of the company’s activities with the EU Taxonomy, to the extent relevant.

³ Most accounting systems do typically not provide a break-down of revenue and investments by environmental impact, and the analysis may therefore include imprecisions and may not be directly comparable with figures in the annual reporting

EU Taxonomy

The circular economy criteria in the EU taxonomy includes specific thresholds and do no significant harm (DNSH) criteria for activities relevant to GIAB⁴. In our view, GIAB’s activities, excluding those related to simple returns and consulting, correspond to taxonomy activities 5.1 (Repair, refurbishment and remanufacturing) and 5.3 (Preparation for re-use of end-of-life products and product components). The company does currently not have data on the respective shares of revenues, opex and capex eligible for the two different circular economy activities. Nevertheless, as we consider GIAB’s activities (excluding simple returns and consulting) to align with the substantial contribution criteria for circular economy for either 5.1 or 5.3, it is our assessment that close to all revenues, opex (98%) and capex (100%) are likely aligned to the taxonomy substantial contribution criteria for circular economy.

Comments on alignment are given in the table below, and detailed thresholds and explanations are given in Appendix 2. GIAB does not align with the technical screening criteria for DNSH for climate change adaptation, and therefore the share of revenue, opex and capex aligned to all taxonomy criteria is 0%. For the eligible circular economy activities, the EU taxonomy does not set DNSH criteria for Biodiversity, as this is not considered a material risk for such activities.

Table 5: Overall EU Taxonomy alignment

Overall EU Taxonomy alignment (Substantial contribution to circular economy + DNSH + minimum safeguards)	Revenue	OPEX	CAPEX
Total share eligible (activities covered by criteria)	98%	98%	100%
Total share likely aligned to all criteria	0%	0%	0%
Total share likely aligned to substantial contribution criteria	98%	98%	100%

Alignment with minimum social safeguards

Shades of Green has assessed the company’s social safeguards with a focus on human and labour rights (see Terms and methodology below for description of approach). We take the sectoral, regional and judicial context into account and based on the information provided by the company, we focus on the risks likely to be the most material social risks. We consider that GIAB continues to mainly fulfil the minimum social safeguards of the EU taxonomy, as in our original assessment in 2021. In that assessment, we noted that the company could further strengthen its work on social issues through a continuous mapping of risks and by publishing its policies and codes of conduct. The code of conduct for suppliers is now public, and the company has continued to map relevant social risks. For instance, through its Double Materiality assessment, GIAB has identified two new risk areas within social, namely own workforce and workers in the value chain.

⁴ [Commission Delegated Regulation \(EU\) 2023/2486 of 27 June 2023 supplementing Regulation \(EU\) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to the sustainable use and protection of water and marine resources, to the transition to a circular economy, to pollution prevention and control, or to the protection and restoration of biodiversity and ecosystems and for determining whether that economic activity causes no significant harm to any of the other environmental objectives and amending Commission Delegated Regulation \(EU\) 2021/2178 as regards specific public disclosures for those economic activities \(europa.eu\)](#)

Table 6: Summary of alignment to Repair, refurbishment and remanufacturing (Taxonomy activity 5.1)

Eligibility	
Activities covered	Repair and refurbishment activities within Insurance and Re:Commerce, excluding the 1.3% of revenues related to simple returns of new products as well as revenues from Consulting (0.9%). For 2023, the company is not able to provide data on what share of its activities is preparation for re-use of end-of-life products vs the share of activities that are repair and refurbishment.
Alignment	
Activities aligned	Activities focus on prolonging lifetime of products through refurbishment and repair, meeting the Technical Screening Criteria of the taxonomy for circular economy.
Substantial contribution	Summary of assessment
Contribution to Circular Economy	✓ Likely aligned
DNSH-criteria	Summary of assessment
Climate Change Mitigation	✓ Likely aligned
Climate Change Adaptation	✓ Likely not aligned. We see that GIAB has taken some steps to identify physical climate risks to its activities, but it has not used the specific methodologies described in the taxonomy, nor implemented actions to address the risks.
Sustainable use and protection of water and marine resources	✓ Likely aligned
Pollution prevention and control	✓ Likely aligned

Table 7: Summary of alignment to Preparation for re-use of end-of-life products and product components (taxonomy activity 5.3)

Eligibility	
Activities covered	Preparation for re-use activities within Insurance and Re:Commerce, excluding the 1.3% of revenues related to simple returns of new products as well as revenues from Consulting (0.9%). For 2023, the company is not able to provide data on what share of its activities is preparation for re-use of end-of-life products vs the share of activities that are repair and refurbishment.
Alignment	
Activities aligned	Revenues from Circular Insurance and Re:Commerce that focus on the preparation for re-use.
Substantial contribution	Summary of assessment
Mitigation Criteria	✓ Likely aligned
DNSH-criteria	Summary of assessment
Climate Change Mitigation	✓ Likely aligned
Climate Change Adaptation	✓ Likely not aligned. We see that GIAB has taken some steps to identify physical climate risks to its activities, but it has not used the specific methodologies described in the taxonomy, nor implemented actions to address the risks.
Sustainable use and protection of water and marine resources	✓ Likely aligned
Pollution prevention and control	✓ Likely aligned











Terms and methodology

The aim of this analysis is to be a practical tool for investors, lenders and public authorities for understanding climate risk. Shades of Green encourages the client to make this assessment publicly available. If any part of the assessment is quoted, the full report must be made available. Our assessment, including on governance, is relevant for the reporting year covered by the analysis. This assessment is based on a review of documentation of the client’s policies and processes, as well as information provided to us by the client during meetings, teleconferences and email correspondence. In our review we have relied on the correctness and completeness of the information made available to us by the company.

Shading corporate revenue and investments

Our view is that the green transformation must be financially sustainable to be lasting at the corporate level. We have therefore shaded the company’s current revenue generating activities, as well as investments and operating expenses.

The approach is an adaptation of the Shades of Green methodology for the green bond market. The Shade of Green allocated to a green bond framework reflects how aligned the likely implementation of the framework is to a low carbon and climate resilient future, and we have rated investments and revenue streams in this assessment similarly. We allocate a shade of green to the revenue stream and investments according to how these streams reflect alignment of the underlying activities to a low carbon and climate resilient future and taking into account governance issues.

Shading		Examples
	Dark green Is allocated to projects and solutions that corresponds to the long-term vision of a low-carbon and climate resilient future.	 Solar power plants
	Medium green Is allocated to projects and solutions that represent significant steps towards the long-term vision but are not quite there yet.	 Energy efficient buildings
	Light green Is allocated to transition activities that do not lock in emissions. These projects reduce emissions or have other environmental benefits in the near term rather than representing low carbon and climate resilient long-term solutions.	 Hybrid road vehicles
	Yellow Is allocated to projects and solutions that do not explicitly contribute to the transition to a low carbon and climate resilient future. This category also includes activities with too little information to assess.	 Health care services
	Red Is allocated to projects and solutions that have no role to play in a low-carbon and climate resilient future. There are the heaviest emitting assets, with the most potential for lock in of emissions and highest risk of stranded assets.	 New oil exploration

In addition to shading from dark green to red, Shades of Green also includes a governance score to show the robustness of the environmental governance structure. When assessing the governance of the company, Shades of Green looks at five elements: 1) strategy, policies and governance structure; 2) lifecycle considerations including supply chain policies and environmental considerations towards customers; 3) the integration of

climate considerations into their business and the handling of resilience issues; 4) the awareness of social risks and the management of these; and 5) reporting. Based on these aspects, an overall grading is given on governance strength falling into one of three classes: Fair, Good or Excellent. Please note this is not a substitute for a full evaluation of the governance of the issuing institution, and does not cover, e.g., corruption.

In March 2020, a technical expert group (TEG) proposed an EU taxonomy for sustainable finance that included a number of principles including “do-no-significant-harm (DNSH)-criteria” and safety thresholds for various types of activities⁵. In April 2021, EU published its delegated act to outline proposed criteria for climate mitigation and adaptation, which it was tasked to develop after the EU Taxonomy Regulation entered into law in July 2020. Shades of Green has assessed the mitigation criteria in the EU taxonomy that includes specific thresholds for activities relevant for the company⁶.

Do-No-Significant-Harm criteria include measures such as ensuring resistance and resilience to extreme weather events, preventing excessive water consumption from inefficient water appliances, ensuring recycling and reuse of construction and demolition waste and limiting pollution and chemical contamination of the local environment, as well as restriction on the type of land used for construction (no arable or forested land).

Shades of Green has assessed potential alignment against the mitigation thresholds and the DNSH criteria in the delegated acts published in April 2021.

In order to qualify as a sustainable activity under the EU regulation 2020/852 certain minimum safeguards must be complied with. The safeguards entail alignment with the OECD Guidelines for Multinational Enterprises and UN Guiding Principles on Business and Human Rights, including the International Labour Organisation’s (‘ILO’) declaration on Fundamental Rights and Principles at Work, the eight ILO core conventions and the International Bill of Human Rights. Shades of Green has completed a light touch assessment of the above social safeguards with a focus on human rights and labor rights risks⁷. We take the sectoral, regional and judicial context into account and focus on the risks likely to be the most material social risk.

Our assessment of alignment against the EU Taxonomy is based on a desk review of the listed source documents against the Taxonomy Delegate Act and following our own shading methodology.

⁵ Taxonomy: Final report of the Technical Expert Group on Sustainable Finance, March 2020. [TEG final report on the EU taxonomy \(europa.eu\)](#)

⁶ [taxonomy-regulation-delegated-act-2021-2800-annex-1_en.pdf \(europa.eu\)](#)

⁷ S&P Global Ratings Shades of Green is in the process of further developing its assessment method to ensure that it encompasses the object and purpose of the minimum safeguards.

Appendix 1: Referenced documents list

Document Number	Document Name	Description
1	Godsinlösen Nordic AB Sustainability Report, for 2023	
2	Code of Conduct, Urban Miners	Policies of GIAB repair partner
3	Ohlssons ISO certifications (ISO 90001, ISO 14001), Fair Transport Certification, Policy for Quality, Environment and Working Environment	Policies of GIAB repair partner
4	Code of Conduct for Suppliers	Code of Conduct for suppliers including minimum requirements to all suppliers on social work and human rights, environment and corruption

Appendix 2: EU Taxonomy criteria and alignment

Taxonomy activity	5.1 Repair, refurbishment and remanufacturing		
	Technical Screening Criteria	Comments on alignment	Alignment
Substantial Contribution to Circular Economy	<ol style="list-style-type: none"> The economic activity consists of extending the lifetime of products by repairing, refurbishing or remanufacturing products that have already been used for their intended purpose by a customer (physical person or legal person). The economic activity complies with the following criteria: a) The replaced parts, the refurbished products or the remanufactured products are covered by a sales contract where relevant and in accordance with provisions as regards conformity of the product, liability of the seller(161) (including the option of a shorter liability or limitation period for second hand products), burden of proof, remedies for lack of conformity, the modalities for the exercise of those remedies, repair or replacement of the goods, and commercial guarantees; b) the economic activity implements a waste management plan that ensures that the product’s materials, particularly critical raw materials, and components that have not been reused in the same product are reused elsewhere, or, where reuse is not possible (due to damage, degradation or hazardous substances), are recycled, or, only where reuse and recycling is not viable, are disposed of in accordance with applicable Union and national legislation. For remanufacturing, the waste management plan is accessible to the public. 	<p>Information provided by the company: GIAB is a multifaceted company with several areas of business, one of them is that of reparation and refurbishment of products originating from the insurance companies GIAB collaborates with. GIAB also receives returned products from retailers and transport. These Products are, usually damaged or has had their packaging opened. All these products are not eligible for reparation and are sometimes sold in their current condition. The reparation aims to pro-long the lifetime of the products once broken or returned and keeps material and components in the loop for future use. In summary: This criteria is met in both the “Insurance” and “Re:Commerce” business area but are far more usually occurring within Insurance. It is safe to say that within Insurance and especially the “Mobilcirkeln”, reparation is the norm when possible.</p> <p>GIAB's products are all covered by "Köplagen" and "Konsumentköplagen" in accordance with Swedish legislation. In terms of "Warranty" as a tool for consumer trust, GIAB offers a warranty of one year for the consumer to feel safe when buying a reused product. As for waste management, GIAB follows the Swedish law regarding waste. When performing repairs or when receiving units especially phones and computers, GIAB has a process in place to make sure that all components with value or functionality for</p>	<p>Likely aligned. GIABs activities within Insurance and Re:commerce, which are interconnected, focus primarily on refurbishment of various products, but also repair. GIAB offers warranties for the refurbished or repaired products in line with Swedish legislation.</p> <p>Not possible to determine the share of eligible and aligned revenues, opex and capex due to lack of data.</p>

		future repairs are collected from the damaged units.	
	EU Taxonomy DNSH-criteria	Comments on alignment	Alignment
Climate Mitigation	<p>Where the activity involves on-site generation of heat/cool or co-generation including power, the direct GHG emissions of the activity are lower than 270 gCO₂e/kWh.</p> <p>The activity develops a strategy to account for and reduce the GHG emissions arising from transport along the value chain, including shipping and returns, to the extent these are traceable.</p> <p>Where the sold product is initially produced by the activities classified under NACE codes C29, and is a vehicle, mobility component, system, separate technical unit, part or a spare part as defined in Regulation (EU) 2018/858, when sold in the secondary market after 2025 and before 2030 the following criteria apply: vehicles of category M1 and N1 classified as light-duty vehicles comply with specific emissions limits of CO₂, as defined in Article 3(1), point (h), of Regulation (EU) 2019/631 of the European Parliament and of the Council(176), lower than 50gCO₂/km (low- and zero-emission light-duty vehicles);vehicles of category L(177) with tailpipe CO₂ emissions equal to 0g CO₂e/km calculated in accordance with the emission test laid down in Regulation (EU) 168/2013 of the European Parliament and of the Council(178);vehicles of categories N2 and N3, and N1 classified as heavy-duty vehicles, not dedicated to transporting fossil fuels with a technically permissible maximum laden mass not exceeding 7,5 tonnes that are ‘zero-emission heavy-duty vehicles’ as defined in Article 3, point (11), of Regulation (EU) 2019/1242;vehicles of categories N2 and N3 not dedicated to transporting fossil fuels with a technically permissible maximum laden mass exceeding 7,5 tonnes that are zero-emission heavy-duty vehicles’, as defined in Article 3, point (11), of Regulation (EU) 2019/1242 or ‘low-emission heavy-duty vehicles’ as defined in Article 3, point (12) of that Regulation.</p> <p>Where the product, initially produced by the activities classified under NACE codes C29, and being a vehicle, mobility component, system, separate technical unit, part or a spare part as defined in Regulation (EU) 2018/858, is sold in the secondary market after 2030 specific emissions of CO₂, as defined in Article 3(1), point (h), of Regulation (EU) 2019/631 are zero.</p>	<p>Information provided by the company: From GIAB's reporting for 2023, for its Staffanstorp facility, this value amounted to 258 gCO₂e/kWh.</p> <p>GIAB has a target and plan for renewable transportation.</p>	<p>Likely aligned. The criteria relating to vehicle/mobility components are not applicable to GIAB's activities.</p>

	<p>The activity develops a strategy to account for and reduce the GHG emissions arising from the services upstream and downstream of the value chain, including: intermediate products and raw materials; transport along the value chain, including shipping and returns; maintenance and operations, including laundry and cleaning; end of life, including waste management.</p> <p>Where data centres are being used and operated, the activity has demonstrated best efforts to implement the relevant practices listed as ‘expected practices’ in the most recent version of the European Code of Conduct on Data Centre Energy Efficiency, or in CEN-CENELEC document CLC TR50600-99-1 ‘Data centre facilities and infrastructures - Part 99-1: Recommended practices for energy management’ (183) and has implemented all expected practices that have been assigned the maximum value of 5 according to the most recent version of the European Code of Conduct on Data Centre Energy Efficiency.</p>		
Climate Change Adaptation	<p>The physical climate risks that are material to the activity have been identified from those listed in the table in Section II of this Appendix by performing a robust climate risk and vulnerability assessment with the following steps:</p> <ul style="list-style-type: none"> (a) screening of the activity to identify which physical climate risks from the list in Section II of this Appendix may affect the performance of the economic activity during its expected lifetime; (b) where the activity is assessed to be at risk from one or more of the physical climate risks listed in Section II of this Appendix, a climate risk and vulnerability assessment to assess the materiality of the physical climate risks on the economic activity; (c) an assessment of adaptation solutions that can reduce the identified physical climate risk. The climate risk and vulnerability assessment is proportionate to the scale of the activity and its expected lifespan, such that: <ol style="list-style-type: none"> 1. for activities with an expected lifespan of less than 10 years, the assessment is performed, at least by using climate projections at the smallest appropriate scale; 2. for all other activities, the assessment is performed using the highest available resolution, state-of-the-art climate projections across the existing range of future scenarios consistent with the expected lifetime of the activity, including, at least, 10 to 30 year climate projections scenarios for major investments. <p>The climate projections and assessment of impacts are based on best practice and available guidance and take into account the state-</p>	<p>Information provided by the company:</p> <p>Climate Adaption has been identified within the Double Materiality Assessment as an issue of materiality. There is however, no current plan in place to counter the existing areas of risk within the value-chain as the DMA was recently concluded. But the value-chain along with stakeholders has been assessed and discussed.</p>	<p>Likely not aligned.</p> <p>The assessment of physical climate risk is not aligned with the methodology of the taxonomy, and the company has not implemented actions to address such risks.</p>

	<p>of-the-art science for vulnerability and risk analysis and related methodologies in line with the most recent Intergovernmental Panel on Climate Change reports, scientific peer-reviewed publications, and open source or paying models.</p> <p>For existing activities and new activities using existing physical assets, the economic operator implements physical and non-physical solutions ('adaptation solutions'), over a period of time of up to five years, that reduce the most important identified physical climate risks that are material to that activity. An adaptation plan for the implementation of those solutions is drawn up accordingly.</p> <p>For new activities and existing activities using newly-built physical assets, the economic operator integrates the adaptation solutions that reduce the most important identified physical climate risks that are material to that activity at the time of design and construction and has implemented them before the start of operations. The adaptation solutions implemented do not adversely affect the adaptation efforts or the level of resilience to physical climate risks of other people, of nature, of cultural heritage, of assets and of other economic activities; are consistent with local, sectoral, regional or national adaptation strategies and plans; and consider the use of nature-based solutions or rely on blue or green infrastructure to the extent possible.</p>		
Water	<p>Environmental degradation risks related to preserving water quality and avoiding water stress are identified and addressed with the aim of achieving good water status and good ecological potential as defined in Article 2, points (22) and (23), of Regulation (EU) 2020/852, in accordance with Directive 2000/60/EC of the European Parliament and of the Council³²⁶ and a water use and protection management plan, developed thereunder for the potentially affected water body or bodies, in consultation with relevant stakeholders.</p> <p>Where an Environmental Impact Assessment is carried out in accordance with Directive 2011/92/EU of the European Parliament and of the Council³²⁷ and includes an assessment of the impact on water in accordance with Directive 2000/60/EC, no additional assessment of impact on water is required, provided the risks identified have been addressed.</p>	<p><u>Information provided by the company:</u> A Double Materiality Assessment has been performed in accordance with ESRS assessing and identifying risks and materiality regarding water withdrawals, consumption, use, discharge and habitat degradation. No action or management plan has been created since only water use was deemed a low risk and materiality.</p> <p>GIAB has had no projects in the pipeline eligible for an EIA. GIAB does however, assess all of its impacts within the ESRS framework for the Double Materiality Assessment.</p>	<p>Likely aligned. The scope of GIAB's activities does not directly impact water quality.</p>
Pollution Prevention and Control	<p>The activity does not lead to the manufacture, placing on the market or use of: (a) substances, whether on their own, in mixtures or in articles, listed in Annexes I or II to Regulation (EU)</p>	<p><u>Relevant contextual information:</u> The fourth and sixth criteria for Pollution Prevention and Control are not relevant to</p>	<p>Likely aligned.</p>

	<p>2019/1021 of the European Parliament and of the Council³²⁸, except in the case of substances present as an unintentional trace contaminant; (b) mercury and mercury compounds, their mixtures and mercury-added products as defined in Article 2 of Regulation (EU) 2017/852 of the European Parliament and of the Council³²⁹; (c) substances, whether on their own, in mixture or in articles, listed in Annexes I or II to Regulation (EC) No 1005/2009 of the European Parliament and of the Council³³⁰; (d) substances, whether on their own, in mixtures or in an articles, listed in Annex II to Directive 2011/65/EU of the European Parliament and of the Council³³¹, except where there is full compliance with Article 4(1) of that Directive; (e) substances, whether on their own, in mixtures or in an article, listed in Annex XVII to Regulation (EC) 1907/2006 of the European Parliament and of the Council³³², except where there is full compliance with the conditions specified in that Annex; (f) substances, whether on their own, in mixtures or in an article, meeting the criteria laid down in Article 57 of Regulation (EC) 1907/2006 and identified in accordance with Article 59(1) of that Regulation, except where their use has been proven to be essential for the society; (g) other substances, whether on their own, in mixtures or in an article, that meet the criteria laid down in Article 57 of Regulation (EC) 1907/2006, except where their use has been proven to be essential for the society</p> <p>Spare parts installed through repair, refurbishment or remanufacturing comply with all relevant Union rules on the restriction of the use of hazardous substances, of generic nature or with specific relevance to that product category, such as Regulation (EC) No 1907/2006, Directive 2011/65/EU, and Directive (EU) 2017/2102 of the European Parliament and of the Council (162).</p> <p>For repair or refurbishment activities, those requirements do not apply to the original components that have been retained in the product.</p> <p>For installations falling within the scope of Directive 2010/75/EU, emissions are within or lower than the emission levels associated with the best available techniques (BAT-AEL) ranges set out in the latest relevant best available techniques (BAT) conclusions and ensures at the same time that no significant cross-media effects occur.</p>	<p>GIAB, as its activities are not in the scope of the Industrial Emissions Directive, and it does not sell vehicle or mobility components.</p> <p>Information provided by the company: As GIAB works with a number of companies regarding product takebacks and doesn't produce anything on its own, the company relies on collaborating companies to make environmentally sound purchases and produce in line with the relevant legislation for Sweden and the EU. Relevant legislation includes being in line with national implementation via "Kemikalieinspektionen", as well as in compliance with EU regulations on REACH, RoHS and POP.</p> <p>All spare parts are bought within the EU, which ensures that suppliers are covered by REACH (Regulation EC No 1907/2006, and other EU Directives for chemical restrictions, such as Direction 2011/65/EU and its amendments (such as Directive 2017/2102).</p> <p>All of GIAB's collaborating repair companies are located within the EU and thus, follow the same legislation when performing repairs on our behalf.</p> <p>GIAB has a safety policy in place and follows the Swedish legislation to treat its employees fairly and well. GIAB also has sustainability goals in place to make sure that the safety procedures are followed and implemented.</p>	
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	<p>The activity implements safety procedures required to protect the health and safety of workers carrying out preparing for re-use operations.</p> <p>Where the sold product is initially produced by the activities classified under NACE codes C29, and is a vehicle, mobility component, system, separate technical unit, part or a spare part as defined in Regulation (EU) 2018/858, it complies with the requirements of the most recent applicable stage of the Euro VI heavy duty emission type approval set out in accordance with Regulation (EC) No 595/2009 or with the requirements of the most recent applicable stage of the Euro 6 light-duty emission type-approval set out in accordance with Regulation (EC) No. 715/2007 or their successors. For road vehicles of categories M and N, tyres, except retreaded tyres, comply with external rolling noise requirements in the highest populated class and with Rolling Resistance Coefficient (influencing the vehicle energy efficiency) in the two highest populated classes as set out in Regulation (EU) 2020/740 of the European Parliament and of the Council and as can be verified from the European Product Registry for Energy Labelling (EPREL), where applicable. Tyres comply with successors of Regulation (EC) No. 715/2007 and Regulation (EC) No 595/2009.</p>		
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Taxonomy activity	5.3 Preparation for re-use of end-of-life products and product components		
Taxonomy version	EU Technical Screening criteria	Comments on alignment	Alignment
Substantial contribution to Circular Economy	<ul style="list-style-type: none"> The activity prepares for re-use products or components of products that have become waste so that they can be re-used without any other pre-processing. The activity’s waste feedstock originates from separately collected and transported waste in source segregated or comingled fractions(168). The activity has implemented acceptance, safety and inspection procedures that comply with the following criteria: a procedure is in place to check the suitability for preparing for re-use or recycling, and that the activity implements a publicly available waste management plan, which ensures that discarded end-of-life products not suitable for preparing for re-use (due to damage, degradation or hazardous substances) are sent for recycling or, only where reuse and recycling is not viable, disposed of; the procedure which can be based on visual or manual external inspection against pre-determined criteria is suited to the category of discarded end-of-life products, which are prepared for re-use; proper training is provided and ensures that the re-use operators are qualified for the preparing for re-use activities of the discarded end-of-life products at stake. The activity uses the tools and equipment suited for the preparation for re-use of discarded end-of-life products. The activity has a system to report recovery rate and, where applicable, targets for preparing for re-use or recycling set out by Union or national legislation. The activity complies with the following criteria: the output of the activity are products or components of products which are suitable for re-use without any other processing; sold goods are covered by a sales contract where relevant and in accordance with provisions as regards conformity of the product, liability of the seller(169) (including the option of a shorter liability or limitation period for second hand products), burden of proof, remedies for lack of conformity, the modalities for 	<p>Information provided by the company: GIAB receives products from companies that in many other cases would have considered these products as waste.</p> <p>GIAB's waste feedstock is collected through separate collection by collaborating companies taking back products through warranty, regret, damages or insurance policies.</p> <p>Products coming to GIAB are assessed upon arrival and later checked before being put back onto the market. For many products GIAB receives a damage report. GIAB outsources the waste management to both “Ohlssons” and “Urban Miners” to make sure that no hazardous waste escapes the recycling system. Their policy can be found here: https://www.urbanminers.net/project-4 and Ohlssons can be found here: https://www.ohlssons.se/foretag/om-ohlssons/certifikat-tillstand/</p> <p>GIAB has a standing goal for reuse rate including the preparation of products for re-use through reparation, refurbishing and recovery. This is tracked through two internal systems for the two main business areas (Insurance and Re:Commerce). In 2023, the share of re-use achieved was 92%.</p> <p>GIAB's products are all covered by "Köplagen" and "Konsumentköplagen" in accordance with Swedish legislation. In terms of "Warranty" as a tool for consumer trust, GIAB offers a warranty of one year for the</p>	<p>Likely aligned.</p> <p>Not possible to determine the share of eligible and aligned revenues, opex and capex due to lack of data.</p>

	<p>the exercise of those remedies, repair or replacement of the goods, and commercial guarantees.</p> <ul style="list-style-type: none"> For the preparation for re-use of Waste from Electrical and Electronic Equipment (WEEE), the economic activity is permitted to treat waste and implements an environmental management system using ISO 14001:2015(170), the EU Eco-Management and Audit Scheme (EMAS) in accordance with Regulation (EC) 1221/2009 of the European Parliament and of the Council(171) or equivalent and a Quality management system using ISO 9001:2015(172). 	<p>consumer to feel safe when buying a reused product. When performing repairs or when receiving units especially phones and computers, GIAB has a process in place to make sure that all components with value or functionality for future repairs are collected from the damaged units.</p> <p>GIAB is certified within ISO 14001 and ISO 9001 which ensures a robust and sustainable management system throughout the company.</p>	
	DNSH-criteria	Comments on alignment	Alignment
Climate Mitigation	<p>Where the activity involves on-site generation of heat/cool or co-generation including power, the direct GHG emissions of the activity are lower than 270 gCO₂e/kWh.</p> <p>The activity develops a strategy to account for and reduce the GHG emissions arising from transport along the value chain, including shipping and returns, to the extent these are traceable.</p> <p>Where the sold product is initially produced by the activities classified under NACE codes C29, and is a vehicle, mobility component, system, separate technical unit, part or a spare part as defined in Regulation (EU) 2018/858, when sold in the secondary market after 2025 and before 2030 the following criteria apply: vehicles of category M1 and N1 classified as light-duty vehicles comply with specific emissions limits of CO₂, as defined in Article 3(1), point (h), of Regulation (EU) 2019/631 of the European Parliament and of the Council(176), lower than 50gCO₂/km (low- and zero-emission light-duty vehicles);vehicles of category L(177) with tailpipe CO₂ emissions equal to 0g CO₂e/km calculated in accordance with the emission test laid down in Regulation (EU) 168/2013 of the European Parliament and of the Council(178);vehicles of categories N2 and N3, and N1 classified as heavy-duty vehicles, not dedicated to transporting fossil fuels with a technically permissible maximum laden mass not exceeding 7,5 tonnes that are ‘zero-emission heavy-duty vehicles’ as defined in Article 3, point (11), of Regulation (EU) 2019/1242;vehicles of categories N2 and N3 not dedicated to transporting fossil fuels with a technically permissible maximum laden mass exceeding 7,5 tonnes that are zero-emission heavy-duty vehicles’, as defined in Article 3, point (11), of Regulation (EU) 2019/1242 or ‘low-</p>	<p>Information provided by the company: From GIAB's reporting for 2023, this value amounted to 258 gCO₂e/kWh.</p> <p>GIAB has strategies in place to reduce emissions associated with its value chain, including transport. GIAB strives to re-use as much of components as possible.</p> <p>GIAB does not operate any data centre.</p>	Likely aligned

	<p>emission heavy-duty vehicles’ as defined in Article 3, point (12) of that Regulation.</p> <p>Where the product, initially produced by the activities classified under NACE codes C29, and being a vehicle, mobility component, system, separate technical unit, part or a spare part as defined in Regulation (EU) 2018/858, is sold in the secondary market after 2030 specific emissions of CO2, as defined in Article 3(1), point (h), of Regulation (EU) 2019/631 are zero.</p> <p>The activity develops a strategy to account for and reduce the GHG emissions arising from the services upstream and downstream of the value chain, including: intermediate products and raw materials; transport along the value chain, including shipping and returns; maintenance and operations, including laundry and cleaning; end of life, including waste management.</p> <p>Where data centres are being used and operated, the activity has demonstrated best efforts to implement the relevant practices listed as ‘expected practices’ in the most recent version of the European Code of Conduct on Data Centre Energy Efficiency, or in CEN-CENELEC document CLC TR50600-99-1 ‘Data centre facilities and infrastructures - Part 99-1: Recommended practices for energy management’(183) and has implemented all expected practices that have been assigned the maximum value of 5 according to the most recent version of the European Code of Conduct on Data Centre Energy Efficiency.</p>		
Climate Change Adaptation	<p>The physical climate risks that are material to the activity have been identified from those listed in the table in Section II of this Appendix by performing a robust climate risk and vulnerability assessment with the following steps:</p> <ul style="list-style-type: none"> (a) screening of the activity to identify which physical climate risks from the list in Section II of this Appendix may affect the performance of the economic activity during its expected lifetime; (b) where the activity is assessed to be at risk from one or more of the physical climate risks listed in Section II of this Appendix, a climate risk and vulnerability assessment to assess the materiality of the physical climate risks on the economic activity; (c) an assessment of adaptation solutions that can reduce the identified physical climate risk. The climate risk and vulnerability assessment is proportionate to the scale of the activity and its expected lifespan, such that: 	<p><u>Information provided by the company:</u></p> <p>Climate Adaption has been identified within the Double Materiality Assessment as an issue of materiality. There is however, no current plan in place to counter the existing areas of risk within the value-chain as the DMA was recently concluded. But the value-chain along with stakeholders has been assessed by GIAB.</p>	<p>Likely not aligned.</p> <p>The assessment of physical climate risk is not aligned with the methodology of the taxonomy, and the company has not implemented actions to address such risks.</p>

	<p>1. for activities with an expected lifespan of less than 10 years, the assessment is performed, at least by using climate projections at the smallest appropriate scale;</p> <p>2. for all other activities, the assessment is performed using the highest available resolution, state-of-the-art climate projections across the existing range of future scenarios³²⁰ consistent with the expected lifetime of the activity, including, at least, 10 to 30 year climate projections scenarios for major investments.</p> <p>The climate projections and assessment of impacts are based on best practice and available guidance and take into account the state-of-the-art science for vulnerability and risk analysis and related methodologies in line with the most recent Intergovernmental Panel on Climate Change reports, scientific peer-reviewed publications, and open source or paying models.</p> <p>For existing activities and new activities using existing physical assets, the economic operator implements physical and non-physical solutions ('adaptation solutions'), over a period of time of up to five years, that reduce the most important identified physical climate risks that are material to that activity. An adaptation plan for the implementation of those solutions is drawn up accordingly.</p> <p>For new activities and existing activities using newly-built physical assets, the economic operator integrates the adaptation solutions that reduce the most important identified physical climate risks that are material to that activity at the time of design and construction and has implemented them before the start of operations. The adaptation solutions implemented do not adversely affect the adaptation efforts or the level of resilience to physical climate risks of other people, of nature, of cultural heritage, of assets and of other economic activities; are consistent with local, sectoral, regional or national adaptation strategies and plans; and consider the use of nature-based solutions or rely on blue or green infrastructure to the extent possible.</p>		
Water	Environmental degradation risks related to preserving water quality and avoiding water stress are identified and addressed with the aim of achieving good water status and good ecological potential as defined in Article 2, points (22) and (23), of Regulation (EU) 2020/852, in accordance with Directive 2000/60/EC of the European Parliament and of the Council ³²⁶ and a water use and protection management plan, developed thereunder for the	<p>Information provided by the company:</p> <p>A Double Materiality Assessment has been performed in accordance with ESRS assessing and identifying risks and materiality regarding water withdrawals, consumption, use, discharge and habitat degradation. No action or management plan has been created since</p>	<p>Likely aligned.</p> <p>The scope of GIAB's activities does not directly impact water quality.</p>

	<p>potentially affected water body or bodies, in consultation with relevant stakeholders.</p> <p>Where an Environmental Impact Assessment is carried out in accordance with Directive 2011/92/EU of the European Parliament and of the Council³²⁷ and includes an assessment of the impact on water in accordance with Directive 2000/60/EC, no additional assessment of impact on water is required, provided the risks identified have been addressed.</p>	<p>only water use was deemed a low risk and materiality.</p> <p>GIAB has had no projects in the pipeline eligible for an EIA. GIAB does however, assess all impacts within the ESRS framework for the Double Materiality Assessment.</p>	
<p>Pollution Prevention and Control</p>	<p>The activity does not lead to the manufacture, placing on the market or use of: (a) substances, whether on their own, in mixtures or in articles, listed in Annexes I or II to Regulation (EU) 2019/1021 of the European Parliament and of the Council³²⁸, except in the case of substances present as an unintentional trace contaminant; (b) mercury and mercury compounds, their mixtures and mercury-added products as defined in Article 2 of Regulation (EU) 2017/852 of the European Parliament and of the Council³²⁹; (c) substances, whether on their own, in mixture or in articles, listed in Annexes I or II to Regulation (EC) No 1005/2009 of the European Parliament and of the Council³³⁰; (d) substances, whether on their own, in mixtures or in an articles, listed in Annex II to Directive 2011/65/EU of the European Parliament and of the Council³³¹, except where there is full compliance with Article 4(1) of that Directive; (e) substances, whether on their own, in mixtures or in an article, listed in Annex XVII to Regulation (EC) 1907/2006 of the European Parliament and of the Council³³², except where there is full compliance with the conditions specified in that Annex; (f) substances, whether on their own, in mixtures or in an article, meeting the criteria laid down in Article 57 of Regulation (EC) 1907/2006 and identified in accordance with Article 59(1) of that Regulation, except where their use has been proven to be essential for the society; (g) other substances, whether on their own, in mixtures or in an article, that meet the criteria laid down in Article 57 of Regulation (EC) 1907/2006, except where their use has been proven to be essential for the society</p> <p>Spare parts installed through repair, refurbishment or remanufacturing comply with all relevant Union rules on the restriction of the use of hazardous substances, of generic nature or with specific relevance to that product category, such as Regulation (EC) No 1907/2006, Directive 2011/65/EU, and Directive (EU) 2017/2102 of the European Parliament and of the Council⁽¹⁶²⁾.</p>	<p><u>Relevant contextual information:</u> The fourth and sixth criteria for Pollution Prevention and Control are not relevant to GIAB, as its activities are not in the scope of the Industrial Emissions Directive, and it does not sell vehicle or mobility components.</p> <p><u>Information provided by the company:</u> As GIAB works with a number of companies regarding product takebacks and doesn't produce anything on its own, the company relies on collaborating companies to make environmentally sound purchases and produce in line with the relevant legislation for Sweden and the EU. Relevant legislation includes being in line with national implementation via "Kemikalieinspektionen", as well as in compliance with EU regulations on REACH, RoHS and POP.</p> <p>All spare parts are bought within the EU, which ensures that suppliers are covered by REACH (Regulation EC No 1907/2006, and other EU Directives for chemical restrictions, such as Directive 2011/65/EU and its amendments (such as Directive 2017/2102).</p> <p>All of GIAB's collaborating repair companies are located within the EU and thus, follow the same legislation when performing repairs on our behalf.</p> <p>GIAB has a safety policy in place and follows the Swedish legislation to treat its employees</p>	<p>Likely aligned.</p>

	<p>For repair or refurbishment activities, those requirements do not apply to the original components that have been retained in the product.</p> <p>For installations falling within the scope of Directive 2010/75/EU, emissions are within or lower than the emission levels associated with the best available techniques (BAT-AEL) ranges set out in the latest relevant best available techniques (BAT) conclusions and ensures at the same time that no significant cross-media effects occur.</p> <p>The activity implements safety procedures required to protect the health and safety of workers carrying out preparing for re-use operations.</p> <p>Where the sold product is initially produced by the activities classified under NACE codes C29, and is a vehicle, mobility component, system, separate technical unit, part or a spare part as defined in Regulation (EU) 2018/858, it complies with the requirements of the most recent applicable stage of the Euro VI heavy duty emission type approval set out in accordance with Regulation (EC) No 595/2009 or with the requirements of the most recent applicable stage of the Euro 6 light-duty emission type-approval set out in accordance with Regulation (EC) No. 715/2007 or their successors. For road vehicles of categories M and N, tyres, except retreated tyres, comply with external rolling noise requirements in the highest populated class and with Rolling Resistance Coefficient (influencing the vehicle energy efficiency) in the two highest populated classes as set out in Regulation (EU) 2020/740 of the European Parliament and of the Council and as can be verified from the European Product Registry for Energy Labelling (EPREL), where applicable. Tyres comply with successors of Regulation (EC) No. 715/2007 and Regulation (EC) No 595/2009.</p>	<p>fairly and well. GIAB also has sustainability goals in place to make sure that the safety procedures are followed and implemented.</p>	
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Appendix 3: About Shades of Green

S&P Global Ratings Shades of Green provides independent, research-based second party opinions (SPOs) of green financing frameworks as well as climate risk and impact reporting reviews of companies. At the heart of all our SPOs is the multi-award-winning Shades of Green methodology, which assigns shadings to investments and activities to reflect the extent to which they contribute to the transition to a low carbon and climate resilient future.

Shades of Green Company Assessments indicate the greenness of a company by providing a shading of revenues, operating costs and capital expenditures, as well as an assessment the company's governance structure. Shades of Green also provides second opinions on institutions' frameworks and guidance for assessing and selecting eligible projects for green, sustainability and sustainability-linked bond investments. Shades of Green is internationally recognized as a leading provider of independent reviews of green bonds, since the market's inception in 2008. Shades of Green is independent of the company being assessed, its directors, senior management and advisers, and is remunerated in a way that prevents any conflicts of interests arising as a result of the fee structure. Shades of Green operates independently from the financial sector and other stakeholders to preserve the unbiased nature and high quality of assessments.



ESG Opinion Provider of the Year



Largest External Review Provider in Number of Deals for Shades of Green



ESG Assessment Tool of the Year - Ratings



External Assessment Provider of the Year

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